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NEW YORK AND ERIE

RAIL ROAD COMPANY.

R E P O R T

OF THE

BOARD OF DIRECTORS.

ELECTED OCTOBER 5, 1843.

FEBRUARY 8, 1844.

NEW-YORK:
PRINTED BY GEORGE F. NESBITT,
Cor. Wall and Water-street.

1844.

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NEW-YORK AND ERIE RAILROAD COMPANY.

REPORT

OF THE

BOARD OF DIRECTORS,

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NEW-YORK:
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Corner of Wall and Water-streets.

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At a meeting of the Board of Directors of the New-Y
Erie Rail Road Company, at their Office, No. 34 Wall s
the 8th day of February, 1844, the following Report havi
read by the President, was adopted, and ordered to be pri

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1844 FEB 8

TO THE PUBLIC.

Public considerations alone, having induced the members of the present Board of Directors of the New-York and Erie Rail Road Company, to undertake the responsible and difficult duties required by the situation of the Company, *to the Public* most appropriately may the report of their proceedings be addressed. The views with which these duties were assumed, were briefly expressed prior to the organization of the Board, in the following terms :

NEW-YORK. OCT. 7th, 1843.

"The undersigned, at the earnest solicitation of a portion of their fellow citizens, having consented to be elected Directors of the New-York and Erie Rail Road Company, feel it to be their duty to state to the Public, distinctly, the conditions upon which they have undertaken their trust. They have been informed that the affairs of the Company are in an embarrassed state, and unless a very great change takes place, its existence will in all probability terminate with the present year."

"The new Board of Directors intend immediately to examine into its condition, and report to the public the result of their labors. Should they find it impracticable to continue the work, they will make known their views, and retire from the Direction."

"On the other hand, should they find its embarrassments not so formidable, but that with proper assistance they can be surmounted, they will call upon the public to aid them in its completion."

"If this call is responded to, the undersigned will continue their connection with the Company: if not, the responsibility of a failure must not rest with them."

DAVID AUSTIN,
JAMES BROWN,
D. A. CUSHMAN,
CHAS. M. LEUPP,
FRAS. W. EDMONDS,
SILAS BROWN,

ANSON G. PHELPS,
HORATIO ALLEN,
THEODORE DEHON,
MATTHEW MORGAN,
PAUL SPOFFORD,
WILLIAM MAXWELL.

"Several other members of the Board being absent from the City, their names could not be affixed to this document."

In accordance with these views, the Board have prosecuted the necessary examinations, with as little delay as circumstances have permitted, and have instituted the measures by which it was hoped that the Company would be relieved of its embarrassments.

The Board found, that the entire property of the Company was in the hands of Assignees, having been so placed in April, 1842, to secure the creditors of the Company; that the indebtedness of the Company including interest to January 1st. 1844 was about \$600,000, a large portion being in the form of judgements; that in November 1841, when Contractors were prosecuting the work on contracts, covering 270 miles of road, the work had been suspended by Resolution of the Board, and had not since been resumed; that these contracts remained in force, and that large claims for damages for the suspension of the work might be presented.

The Board deeming that the exigencies of the Company required the unconditional surrender of these contracts, the relinquishment of all claims for damages, and the agreement on the part of the creditors, to postpone the payment of the indebtedness, issued a circular expressing their views, and employed suitable agents to carry them into effect. So entirely without pecuniary resource was the company, that the funds necessary for the payment of these Agents and for minor office expenses, have only been obtained by private subscription on the part of a few friends of the road.

The result of these efforts has been :—

1. The unconditional surrender of the contracts without important exception.
2. The relinquishment of all claims for damages.
3. A change in the character of the indebtedness to the following effect.

Of the total amount of indebtedness reported by the Treasurer	
at	\$573,000
\$125,000 are now in the form of 6 and 7 per cent. certificates	}
\$305,000 are due to parties who have agreed in writing to take 6 and 7 per cent. certificates on the surrender of the assignment.	
\$143,000 remain unchanged.	
Of the amount unchanged in its character,	
\$50,000 are due to parties who will probably take the certificates.	
\$53,000 are due to parties who refuse to take certificates, but who will to some extent give time, and	
\$40,000 due either to parties unknown, or to parties, whose action is uncertain.	

Most of the parties holding the \$53,000, act on the belief that their debts are secured by liens on property of the Company, not subject to the State lien, or by good endorsers on the paper of the Company.

The 6 per cent. certificates are promises to pay the sums named therein on the 1st January, 1849, and interest threon semi-annually, the net revenue of the Eastern Division, being pledged for the payment of the Interest.

The 7 per cent. certificates are promises to pay the sums named therein, with accumulative interest at 7 per cent. on the 1st January, 1849.

The total issue of either class of these certificates is not to exceed \$300,000.

The indebtedness of the Company, which can embarrass its operations within 5 years, being thus reduced to less than \$100,000, the Board have been able to obtain the surrender of the

Assignment and to recover possession of the road and other property of the Company.

Some difficulty may still grow out of the indebtedness not settled, but trusting to the assurances given by the parties almost without exception, to extend to the Company all the time that the ultimate security of these debts will permit, the Board believe that it will be possible to make arrangements, that will prevent any embarrassing prosecution of the claims, during the period that measures for the resumption of the work are under consideration and action.

Having thus placed the indebtedness of the Company in a comparatively favorable position, and having relieved future operations of all connexion with past contracts and questions of damages, and having the property of the Company again in possession, the next subject of investigation has been the character, condition, and value of that property.

The property of the New-York and Erie Rail Road Company has been found to be of the following character.

1.—64 miles of Rail Road finished ; of which 53 miles are at the Eastern termination in Orange County, most of which have been in use for general purposes, since September, 1841 ; and 7 miles double track at the Western termination, on Lake Erie, which have only been used for the transportation of rail road iron and other materials of construction ; and 4 miles single track near Corning, Steuben County.

2.—Of 177 miles of road in detached portions of 1 to 20 miles in extent ready for superstructure, 90 miles of which are of "piled" and 87 miles graded road, on about one-half of which the Bridges are complete.

3.—Of work done in partially grading 40 miles of road.

4.—Of materials in timber consisting of Rail timber, cross-timber, piles, &c. which have been prepared for the roads.

5.—Of the right of way, obtained by purchase or concession for 325 miles, and permanent arrangements with the owners of adjacent property for building and maintaining the fences on 220 miles of the road.

6.—Of grants of land to the Company for depots, &c.

7.—Of surveys by which the general route for the 450 miles has been selected, and the exact location of 350 miles has been determined.

8.—Locomotives, cars, &c., on 53 miles of road in use.

As the question of the value of this property necessarily embraces that of its condition, they may appropriately be considered together, and as the cost to the Company is the first means of arriving at its value, a summary of the expenditures of the Company, may here be appropriately presented, and to render the statement complete and to show that it embraces all the expenditures of the Company, since its commencement, there is submitted in the first place, a summary of total receipts, and the amount of outstanding indebtedness for work done.

The Receipts of the New York and Erie Rail Road Company appear to have been as follows :

From Capital Stock of the Company (of which \$24,461.04 have been received since report to the Le- gislature in 184)	1,606,218 67
*Deduct Stock held by the Company, ...	104,388 53
	1,501,830 14
Nett proceeds of State Loan of 3,000,000, ...	2,599,514 92
Interest received on Hypothecated Stock, ...	39,942 40
Rent of Offices, ...	2,928 16
Donations in Allegany County, ...	361 00
Receipts from Eastern Division, prior to Assignment, ...	18,559 00
	4,163,135 62
To which must be added in connexion with the value of work done, the amount of indebtedness, ...	573,814 39
	\$4,736,949 99

*NOTE BY THE TREASURER.—This amount results from settlement of contractors' accounts predicated on the surrender of the contracts.

*Summary of Expenditures by the New York and Erie
Rail Road Company.*

1. 7 miles double track at the western termination,	}	162,000 00
4 miles single track near Corning,		43,000 00
2. 53 " " at eastern termination, including pier at Piermont, \$200,000,	}	1,788,523 11
3. Cars, Engines, Depots, Shops, &c.,		178,558 75
4. Work in progress of a permanent character, as excavations, embankments, foundations, and masonry of bridges, &c.	}	785,369 62
5. Wooden bridges, finished and painted. Estimated.	}	100,000 00
6. Materials and work of a perishable character, as rail and bridge timber, piles and piles driven, timber pieces, and docking for bridges, &c.	}	585,812 81
7. For right of way, and permanent provision for fences.	}	286,299 57
8. For surveys, locations and superintendence, Engineer department,	}	331,318 79
9. Interest, including that paid on State Stock.	}	225,753 08
10. Miscellaneous, salaries of officers, clerkship, printing, legal expenses, &c.	}	230,266 93
Total on the Road,		<u>\$4,716,872 66</u>
Amount expended in running the eastern division prior to the assignment,		18,000 00
		<u>\$4,734,872 66</u>

As the only consideration which induces an examination into the value of this property, is that connected with the completion of the Road by the application of new capital, it is thought that the simplest and most practical form in which to present its present value, is that of an answer to the question, What would the property of the New York and Erie Rail Road Company be worth to a new company prepared to construct a road on the same location ?

If an accurate reply to this question were necessary, the Board would be compelled to postpone their report, until the investigation of competent Engineers during several months of a milder season of the year, placed in their hands the information on which alone a correct opinion could be formed. But they believe that, under the circumstances of the case, such a course is unnecessary and inexpedient. In reference to future operations, the two great questions as to expenditure are,

1. What will it cost to complete the road ?
2. What is the amount of the present capital stock which, with the new capital, will form the sum on which dividends are to be paid ?

On neither of these questions does the estimated value of the present property have any influence. By the liberality of the state, the property far exceeds in value the present Capital Stock, and if an estimate of present value be assumed below the real value, the injury, as far as future operations are concerned, will be solely the presenting less inducement to new capital, than an accurate determination of the value would establish.

On the other hand, the Board cannot in a matter involved in uncertainty, and without the means and time for accurate information, determine on naming a sum which new capital shall look to as a valuable consideration, on any other principle than that of taking one so low that as to it there can be no doubt.

These remarks are made that no inference unfavorable to the past management of the Road may be drawn from the fact, that a sum less than the cost of the work, as it appears on the books of the company, is named as that which it would be worth to a new company about to embark in its construction.

It is proper to add, that in consequence of a reduction in the prices of provisions, wages for labor, as well as the cost of Rail Road iron, the same amount of road could be constructed now for an expenditure materially less than would have been required for the same description of road in the years when the greater portion of the New York and Erie Rail Road was in progress of construction.

It will also be perceived that by item 6, the materials of a perishable character that have remained in an exposed situation for 2 to 3 years, have cost \$584,760; of this amount \$250,000 are for timber of various descriptions which have not yet entered into construction, but which have been delivered on the line of the road, or have been prepared for delivery.

Referring to the preceding remarks in explanation, the Board state as the result of their information and enquiries, that the expenses of all descriptions,—necessary to produce the work now existing on the line of the Rail Road,—the information as to routes and locations,—the right of way, grants of land for depots, and provision for permanent fencing, together with the motive power, cars, &c., on the 53 miles of road now in use cannot be named at less than \$4,000,000 and that it would be more for the interest of a new company to purchase these results for \$3,400,000 and assume the indebtedness for \$600,000, than to enter on the survey of the routes and the construction of the road from its commencement.

In making this statement, it is not intended to embrace the question whether more judicious routes could not have been selected, as the Board do not perceive that any practical end would be subserved by entering on so difficult an enquiry.

The property of the New York and Erie Rail Road Company being taken at 4,000,000, the next question is as to the ownership of this property.

The character of this ownership is found to be affected most essentially by the issue of the undertaking.

By the books of the Company, it appears, as already explained, that the payments made on stock on which dividends are to be paid, amount to \$1,501,830, which amount, therefore may be taken as representing the present ownership on the part of the

Stockholders. But there is an outstanding indebtedness to individuals of about \$600,000 to be provided for, and of 3 millions to the State, secured by a lien on the road and its appurtenances, prior to all other claims. If the road be not completed, the ownership is therefore substantially in the State, and in view of that issue, the stock of individuals is but of little value.

But the act of the Legislature of 1843 provides a bonus to future subscribers to the stock of a most valuable character. That act provides that if the road shall be completed by April, 1849, the State will either reimburse all expenditures (except the \$3,000,000) principal and interest, at 7 per cent., or will waive all claim. It may safely be assumed that the latter alternative will be the one adopted; and therefore in view of the completion of the road, it may be stated that the stockholders will then be possessed of property worth at this time, over and above the indebtedness, not less than \$3,400,000, and represented on the books of the company by \$1,501,820.

The present situation of the Company being thus defined, the Board are prepared to take up the subject of future operations.

The first question in this branch of enquiry has been that of the cost at which the road can be completed. On this important subject, neither the season of the year, nor the time within which it is highly expedient that this report should appear, permit the Board to make, or cause to be made, an accurate verification of the estimates found among the documents of the Company. Such verification would be a work of great labor, and would consume many months. The Board have therefore called on the chief Engineer for an estimate of the capital necessary to complete a single track, from the Hudson to Lake Erie, with an allowance of 10 per cent for turn-outs, and have requested the Engineer to accompany his report with full explanations as to the manner in which these estimates were prepared.

The following is the report of the Engineer :—

Office of the New York and Erie Rail Road Co. }
New York, Jan. 29, 1844. }

HORATIO ALLEN, Esq., President }
of the New York and Erie Rail }
Road Company. }

SIR :

In compliance with your request, I present, below, an estimate of the cost of completing the New York and Erie Rail Road,

"It is assumed that the road will be finished with a single track, with an allowance of one-tenth additional, or 45 miles, for turn-outs and sidings. The rail which I have estimated for, weighs 56 pounds per yard, being that now used on the parts of the road already completed."

"At the close of the year 1841, when the whole line was under contract, and when on two-thirds of the extent the work was actively in progress, careful and detailed calculations were made by the Division Engineers, from actual and accurate measurements, of the whole sum which, at contract prices, would be requisite to complete the road, including the laying of the track, but not the cost of the rails, spikes and castings, nor that of transporting these materials to convenient points on the line of the work. The road was definitively located, and the Engineers who made the calculations expected to continue their supervision until the contracts were completed. The prices were actual contract prices; a considerable portion of the work had been done; the quantities remaining to be executed were carefully determined; and so far as the Engineers may be supposed to have been under the influence of any motives likely to affect the result, they would have been rather inclined to increase the sum total than to diminish it below what was really necessary, in order that the actual results on the final settlements might be brought within their calculations. You will perceive, therefore, that the usual sources of error and fallacy are, under these circumstances, not embraced. These remarks apply with especial force to the part of the line from Binghamton to Lake Erie (250 miles). They are substantially true, also, with reference to the part between Binghamton and Middleton, (148 miles) as this was likewise under contract, and the estimates were made with unusual care. From various causes, however, there is certainly a greater chance of error east of Binghamton than west of it; but from the statements which the Engineers have made to me, I feel quite confident that the quantities allowed for are ample."

"The full details of these calculations exist in the offices on the line of the road where they were made. I have exhibited to you voluminous summaries of them, and the condensed result of the whole is shown in the following statement."

"Cost of completing the several divisions of the New York and

Erie Rail Road, including land, workmanship of every description, and all the materials, except iron rails, spikes, and castings, viz :

Western Division,	-	-	\$762,013 09
Susquehannah "	-	-	537,101 04
Central "	-	-	1,034,335 84
Delaware "	-	-	1,515,711 52
Total,	-	-	\$3,849,161 49

Cost of the Rails.

" At the present time a ton gross of heavy rails can be laid down at New York City, at a cost, (including duty and charges) of about \$57 00. The duty is \$25 00.

" The quantity required will be 36,153 tons, which at \$57 00 per ton will amount to - - - 2,060,721 00

" The transportation of this iron to the various accessible points on the line of the Road, ready for distribution, will cost on an average \$8 50 per ton, say - - - 307,300 50

" If the State would remit the Canal tolls, this sum would be reduced about one half.

Spikes.

" The quantity required is 1,057,224 lbs., estimated at 6 cents per lb. delivered, making - - - 63,433 44

Castings.

" The quantity required is 4,383,268 lbs., which at 3 cents per lb. is - - - 131,498 04

Total, - - - \$6,412,114 47

" If, as I think would be proper, a deduction of 11 per cent. be made from the cost of the contract work, as given above, viz. \$3,849,161 49, on account of the lower rate at which work can be done now than when the existing contracts were entered into, say - - - 412,114 47

"We shall have as the estimate for completing the track for use - - - - - \$6,000,000 00

"The out-fit for the commencement of business, viz. for Depots, Water Stations, Engines, Cars, &c., in accordance with detailed statements which it is not necessary to give, will cost - - - - - 1,000,000 00

"Making the whole sum required - - - - - \$7,000,000 00

I have the honor to be, very respectfully,

Your ob't serv't,

T. S. BROWN,

Chief Engineer."

It has already been stated that \$600,000 will be required to meet present indebtedness. It therefore appears that the total capital required will be \$7,600,000, and that on the completion of the road the capital stock for which dividends must be earned, will stand thus:—

Stock issued prior to January, 1844, . . . ,	\$1,501,830
" " subsequent "	7,600,000
Total Capital Stock,	\$9,101,830

While the property which this capital will own, could not have been acquired for a less sum than \$11,000,000

From the question of amount of Capital that will be embarked in this work on its completion, the Board have proceeded to that of its productiveness.

On this subject so much has been submitted to the public in former reports of the New-York and Erie Rail Road Company, as well as in various pamphlets; that with some propriety the Board might consider its duty on this point, performed by a simple reference to them. But while it makes such reference (and especially

to the report of 1841, and "truths for the Citizens of New-York," published in 1842, for much well arranged statistical information of a valuable character,) the Board have thought its trust would be more fully performed if on points, which in their opinion control the productiveness of Rail Roads or Canals, they submit some of the prominent facts in the case of the New-York and Erie Rail Road."

The Board agree with those who have preceded them in similar investigations, in considering that the *population, products and area of the Country* whose travel and transportation can be commanded, from a basis of calculation of all others the most to be relied on. The way in which error may be introduced into such a basis is obviously in the determination of the area, which is *assumed* as that, which will select the avenue under consideration as its outlet or means of supply and travel. That the public for whom these investigations have been pursued, may be enabled to judge the propriety of assigning to the New-York and Erie Rail Road, the area which the enquiries of this Board have led them to adopt, they have directed the map herewith to be prepared, on which is delineated that area. On this map the line of the New-York and Erie Rail Road, is indicated in colors,—the pink is that completed,—the blue is work in progress,—the yellow, work not commenced.

On examination it will be perceived that the area so delineated embraces about 12,000,000, acres, containing a population of 531,000 inhabitants.

It is believed that an area not less than that delineated will find its outlet, receive its supplies, and send its travel, over the New York and Erie Rail Road. It is probable in reference to heavy articles of transportation, that during a portion of the year, at some places within the boundaries marked, the business may be diverted to a different channel, but on the other hand for more places not within the boundary, the New-York and Erie Rail Road will afford the best communication. It is also important to observe in examining the propriety of the northern boundary, that the route by water which during seven months of the year may at many places afford serious competition, will during the remaining five, be closed, and therefore that the boundary marked will not include

the country, which during that portion of the year will send its produce and receive its supplies over the road. Viewed in reference to the passengers it is evident that the boundary especially that north and that south of the western half of the road, are very far within the area of country whose travel will seek the New York and Erie Rail Road, as its most expeditious and convenient communication with the atlantic.

It will be seen by those who make the comparison that the area embraced and consequently the population is less, than those heretofore presented in statements on the subject.

If there be error in that submitted by this Board its origin must be sought in the anxiety which the Board feel not to include any doubtful territory ; at the same time they wish so to present their views that the means of judging of their accuracy and of correcting their errors if any may be in the power of every one who examines these statements.

By reference to the map annexed it will be seen that at several important points, the New York and Erie Rail Road will connect with Rail Roads and canals already constructed which will materially extend its resources. That by one of these (the Blossburgh Rail Road 40 miles in length) Bituminous Coal can be delivered on the line of the New-York and Erie Rail Road at 300 miles from the City of New-York. That by another, the Owego and Ithaca Rail Road, and the steamboats on Cayuga Lake, a connexion is made with the northern line of Rail Roads at Cayuga Bridge. It will also be seen that at Olean 375 miles from New-York, the New-York and Erie Rail Road is on the banks of the Allegany River. It appears from satisfactory sources that this river is navigable for a descending trade, from the latter end of March or beginning of April, to about the 1st June, and that during this period, the commencement of which, sometimes anticipates the opening of the Pennsylvania Canals, goods can be delivered at Pittsburgh in about 7 days from New-York. For a large portion therefore of the country adjacent to the Allegany river and north of Pittsburgh, the N.York and Erie Rail Road, will bethe cheapest and most expeditious channel through which it can receive its spring supplies.

It is also worthy of notice that the line of the New-York and

Erie Rail Road, runs within 20 to 30 miles of the great anthracite and bituminous coal regions in the northern counties of Pennsylvania.

The Chemung Canal and Ithaca and Owego Rail Road, will connect the New-York and Erie Rail Road with Lakes Cayuga and Seneca, at the head of which lie immense beds of gypsum or plaster, so valuable to the agriculturist and through which a communication by water will be obtained with the salt region of Onondagua County.

The other great feature of the New-York and Erie Rail Road and one which probably has attracted public attention to a greater degree than that already presented, is found in the communication which it will open at all seasons of the year between the City of New-York and Lake Erie. The value of the business afforded by a population, whose enterprise and industry are making the States bordering on the lakes, the granary of the country, and whose products and supplies are annually swelling the commerce of our inland seas at so extraordinary a rate, can hardly be exaggerated. But productive as its transportation and travel must be to the avenue which secures it, any calculation of the amount which will select the New-York and Erie Rail Road, must be of a very conjectural character, and this Board have thought it more consistent with their mode of presenting the whole subject, to restrict themselves to the presentation of the Statistics taken from public documents which will convey some idea of the extent and character of the business on the lakes, to which the New-York and Erie Rail Road claims that it will afford advantages not possessed by other avenues.

TRADE OF LAKE ERIE.

Until this report was in the hands of the Printers, the Board had relied on returns made to the United States Government, and contained in published documents, as to the Commerce of the lakes, but having reason to believe, that important errors enter into the tables of moneyed value of the Exports and Imports, of Ports on Lake Erie, contained in the reports, they are unwilling to present them, without the explanation and corrections which are necessary but which their time does not allow.

The Board have not been able to add any thing to the statements made by Col. Kearney, U. S. Topographical Engineer, as to the trade of the Upper Lakes, which were quoted in the Report of New York and Erie Rail Road, 1841. These statements are to the following effect :

" In 1836, there were 45 steamboats, (9,017 tons,) and 211 vessels, (15,030 tons, in all 24,047 tons.

" In 1837, there were 50 steamboats, (10,509 tons,) and 230 vessels, (16,934 tons,) in all 27,443 tons.

" In 1838, there were 52 steamboats, (17,429 tons,) and 234 vessels, (16,848 tons,) in all 34,277 tons.

" In 1839, there were 61 steamboats, (17,324 tons,) and 225 vessels, (17,799 tons,) in all 35,123 tons.

" The value of the shipping of all classes in the year 1839, is \$2,400,600, and they furnish employment for two or three thousand persons. In the year 1836, it was estimated that the capital invested in steamboats was \$1,000,000. In the year 1839, the cost of steamboats is estimated at \$1,741,200. In the year 1837, it was estimated that, taking into view the average number of trips made by each class of vessels, the trade per month, during the business season, amounted to 75,898 tons. Following this rule, and applying it to the year 1839, we would have about one hundred thousand tons as the monthly business."

The character and extent of the trade of Lake Erie is accurately presented in the following extracts from the Annual Reports of the Commissioners of the Canal Fund for the year 1842, 1843.

" WESTERN TRADE."

" A statement of the tons and different classes of property coming from other States and shipped at Buffalo and Black Rock during the last seven years, is as follows :"

" Tons of property coming from other States, by way of Buffalo and Black Rock."

Year.	Products of the Forest.	Agriculture.	Manufac- tures.	Other Ar- ticles.	Total.
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
1836,	3,755	31,761	641	116	36,273
1837,	7,104	34,196	454	475	42,229
1838,	4,615	62,568	489	515	68,187
1839,	22,835	66,649	801	438	90,723
1840,	18,133	105,251	1,200	955	125,530
1841,	35,126	139,180	3,696	1,535	179,537
1842,	26,229	148,798	2,632	1,778	179,437
1843,	44,238	173,349	2,190	4,331	224,166

"The tons of wheat and flour shipped at Buffalo, from the year 1835 to 1842, and at Black Rock, from 1839 to 1843, inclusive, and the total tons of wheat and flour which arrived at the Hudson river, were as follows :"

Year.	Buffalo. Tons.	Black Rock. Tons.	Total tons ar- rived at tide water.
1835, . . .	15,935	—	128,552
1836, . . .	24,154	—	124,982
1837, . . .	27,206	—	116,491
1838, . . .	57,977	—	133,080
1839, . . .	50,082	7,697	124,683
1840, . . .	95,573	12,825	244,862
1841, . . .	106,271	24,843	201,360
1842, . . .	107,522	13,035	198,231
1843, . . .	116,681		

"The following is a statement of the quantity of merchandise and furniture going to other States, by the way of Buffalo, from 1834 to 1843, inclusive :"

Year.	Merchandise. Tons.	Furniture. Tons.
1834, . . .	17,401	4,149
1835, . . .	18,466	4,674
1836, . . .	30,874	4,935
1837, . . .	22,229	5,338
1838, . . .	32,087	3,500
1839, . . .	29,699	2,188
1840, . . .	18,863	1,600
1841, . . .	25,551	1,047
1842, . . .	20,525	2,372
1843, . . .	44,148	

"The following table has been compiled from the returns of the collector at Buffalo, and shows the quantity of wheat, flour, beef and pork, and pot and pearl ashes, coming from other States, and cleared at that office on the Erie canal, during the year 1842."

From	Bushels of wheat.	Barrels of flour.	Barrels of beef and pork.	Barrels of pot and pearl ashes
Pennsylvania, - -	-----	1,274	312	590
Ohio, - - - - -	707,352	443,358	35,638	10,277
Michigan, - - - -	103,669	186,468	7,617	3,689
Indiana, - - - - -	77,442	11,038	4,069	43
Illinois, - - - - -	329,624	7,254	9,035	55
Wisconsin, - - - -	8,848	462	653	69
	1,226,935	649,854	57,324	14,723

The business of 1843 is presented more fully in the following extracts from the report of the Commissioners of the Canal Fund, for that year.

Tons, value and Tolls on articles cleared at Buffalo—Eastward.

	<i>Tons.</i>	<i>Value.</i>	<i>Tolls.</i>
Agriculture . .	173,349	7,244,416	\$401,090
Forest . .	44,238	1,441,961	56,813
Manufactures . .	82,190	184,247	5,397
Other articles . .	4,331	269,128	11,760
Total . .	224,098.	9,139,756.	\$475,065

Tons and value of articles, arriving at Buffalo—by the Canal.

	<i>Tons.</i>	<i>Value.</i>
Merchandise - - -	44,148	\$13,244,405
Manufactures - - -	26,919	1,055,180
Forest - - -	37,318	67,593
Agriculture - - -	1,532	39,287
Other articles - - -	6,764	163,649
	116,681	\$14,570,119

Exports - - - - -	\$9,139,756
Imports - - - - -	14,570,119

Total, \$23,709,875.

The rate of increase of the trade of Buffalo with the West, may be thus presented :—

Value of articles shipped by Canal at Buffalo.

1838 - - - - -	\$4,854,927
1841 - - - - -	6,884,156
1843 - - - - -	9,139,756

The number of Passengers connected with this large and rapidly increasing business must be on the same scale. But the Board have not been able to obtain any accurate statistics by which to present it.

From the best information in their power, it is believed that during 7 months of the year at least 300 passengers each day arrive at Buffalo from the lake, and that 600 each day are conveyed westward in steam boats and vessels.

The inducements which the New-York and Erie Rail Road can offer to this large amount of business, are as follows :—

By the report of the Superintendent of the Eastern Division of the New-York and Erie Rail Road, it appears that passengers can be conveyed from Lake Erie, to the City of New-York, in 24 to 26 hours, that a charge of \$10 per passenger, will afford a profit of \$3 to \$5 per passenger ; that light freight can be transported over the road in 24 to 26 hours ; that a charge of \$15 to \$20 per ton will give a profit of \$5 to \$10, and that heavy freight can be transported in 48 to 50 hours, and that a charge of \$8 to \$15 will yield a profit of \$3 to \$8 per ton.

The existing communications, which will more immediately compete with the New York and Erie Rail Road for the lake business, are the Erie Canal and the northern line of Rail Roads to Albany.

From information obtained from parties engaged in the freighting business between Buffalo and New York, the following table has been prepared :

Freight from Buffalo to New York, through in 7 to 9 days.

On Flour, ...	\$10 00 per ton
" Wheat, Corn, &c.	9 50 "
" Pork, Beef, &c.	9 50 "
" Wool, Skins, &c.	19 50 "

Freight from New York to Buffalo, through in 7 to 9 days.

On Groceries, &c.	\$21 00 per ton.
" Dry Goods, &c.	24 00 "
" Pig Iron, ...	10 00 "

In connexion with this subject, it is important to notice that the Canals close three to four weeks earlier than the Lake navigation, and that the harbor of Dunkirk is open about a week earlier than the harbor of Buffalo.

As illustrative of the sources of revenue of the Erie Canal, the following table is presented. It is taken from a report of the Canal Board in 1840. The comprehensive and at the same time discriminating view, which it gives of the business of the Canal, is of the most valuable character.

TABLE

Showing the aggregate movement of all commodities transported on the Erie Canal, and the comparative movement of each.

No. of tons.	Toll.	Description of articles.	Amount of toll paid.	Average No. of miles moved.	Total movement denoted by the movement in miles of a single ton.
{ 131,335	18	Merchandise,-----	\$524,387	222	29,134,170
{ 178,644	9	Flour and wheat,-----	363,180	225	40,194,900
5,531	9	Bran and ship stuff,-----	7,963	159	879,270
35,569	4	Staves,-----	47,233	332	11,808,808
7,036	9	Ashes,-----	16,974	270	1,899,860
74,194	3	Boards and scantling,-----	43,265	194	15,393,636
2,240	7	Shingles,-----	4,123	194	575,680
20,511	6	Timber,-----	21,752	257	3,609,936
8,901	9	Pork,-----	18,642	176	2,306,933
25,561	4 6-10	Salt,-----	21,106	233	4,677,663
22,458	4 6-10	Gypsum,-----	9,388	183	1,864,014
174,364	5	Stone, lime and clay,-----	23,724	83	4,707,828
86,718	4	Firewood,-----	10,407	27	2,901,640
6,062	9	Barley,-----	7,046	30	775,963
5,410	9	Cheese,-----	5,242	128	578,870
2,981	9	Butter and lard,-----	5,495	107	605,143
5,781	9	Domestic spirits,-----	8,464	203	937,656
8,619	9	Iron and Iron ware,-----	13,950	162	1,560,039
7,757	9	Coal,-----	10,843	181	1,901,335
	9			155	

By means of the line of Rail Roads extending from Buffalo to Albany and of the steamboats on the North River; passengers have been conveyed during the past summer from Buffalo to New-York in 35 to 37 hours, at a charge of \$11 50, exclusive of expenses on the road, and during the winter by means of the Housatonic Rail Road and boats on the canal, to New-York in 40 hours, at a charge of \$16 exclusive of expenses on the road.

By means of the Albany and Boston Road, in connexion with the Rail Road west of Albany, passengers are conveyed between Buffalo and Boston in 36 hours, at a charge of \$15.

In addition to this summary view of the circumstances which will determine the productiveness of the New-York and Erie Rail Road, the Board feel that it is incumbent on them, in connexion with this branch of their enquiries, to report the result, as to amount, expenditure, and net earnings, of the business performed on the 53 miles, which have been in use for nearly two years; especially as that result can be made the basis of calculation as to what may be expected of other portions of the line, when the road is extended.

46 of the 53 miles alluded to, from what is termed "the Eastern Division of the New-York and Erie Rail Road" and extend from the Hudson River at Piermont, to Goshen in Orange County. The Eastern Division was opened for general use, in September, 1841, and the 7 miles in continuation to Middletown were added in June 1843.

The general character of this portion of the road is thus given by the superintendent:—

"Whole length 53 miles. Ascent going west 1349 feet, and descent 695 feet. Grades 60 feet per mile, ascending for 11 miles, descending 8 miles, total curved road 12 miles, maximum load going west was in September 1842, from Piermont to Laurel Hill 11 miles, conveying 91 tons exclusive of Engine tender and Cars."

The following Statement of the Freight and Passenger earnings on these 53 miles during the year ending April 1st, 1844, has been obtained of H. C. Seymour, Esq., the Superintendent of the Eastern Division.

Freight Earnings, for year ending April 1st, 1844	\$64,899,28
Passenger Earnings " " "	\$37,000,59
	\$101,899,87
Rail Road Expenses, sum paid and } ascertained as stated below.	\$55,000,00
Total net earnings - - - - -	\$46,099,87

For the first ten months of the year terminating 1st April, 1844, the amounts included are the actual receipts of the road, to which have been added for the 2 months to complete the year, the amounts received in February and March, 1843, with a slight increase, but at a percentage of increase not one half of what has been realized in the 10 months receipts, as compared with the 10 months of the preceding year.

It certainly must be considered a remarkable result that on a road 53 miles in length, the extreme end of which is only 20 miles from the Hudson River, which has been compelled to seek its freight and passengers in competition with long established business connections and cheap transportation, the net earnings for year should already have reached \$46,800.

Yet such is the fact, and with the view of deducing from this result a basis of calculation, of the most valuable character if its accuracy can be established, much pains have been taken in ascertaining the following points:—

1. That the area of country, the passengers, produce and supplies of which, should be appropriately considered as belonging to this 53 miles of road may be estimated at 440,000 acres.
2. That the population of this area does not exceed 40,000
3. That of the total receipts of 1 year,

for freight	\$101,000
and passengers	
- There has been received

from the area and population named	for freight	\$60,000
	and	
	passengers.	\$30,000
		\$90,000
4. That as deduced from the preceding, of the total net earnings of the Rail Road, \$46,899
- There has been derived from the area named a net earning in 1 year of - - - - - \$40,000.

To afford the means of judging of the correctness of this basis, the boundaries of the area, within which the amount of business stated above, is known by the books at the depots, to have been derived, are delineated on the map accompanying this Report. An examination of the outlines of that area, and its relation to the river towns which have heretofore derived a part of their support from its population, will convey more fully the peculiarity of its position and the difficulties with which it must have contended.

By the above statement it appears that the business growing out of the labor of 40,000 inhabitants has produced a net income of \$40,000, over a road whose average distance of transportation has been less than 50 miles.

Starting with these facts, it might be argued that, a like population on other portions of the line, would produce a like amount of surplus products to be sent to market, and that by allowing for the respective distances to market, the value of its business to the road would be arrived at with considerable accuracy.

There are however some circumstances which should be taken into consideration, that will render it judicious to adopt a less amount of net revenue as the basis of such a calculation, although there are other considerations which would sustain the propriety of a larger amount. Of the former is the fact that a large amount of the earnings of the road is on freight of a local character, and which either will not bear long transportation, or which pays a higher rate than products of the same description from the interior can afford.

Of the latter is the well established fact that transportation on a long Rail Road will yield greater net earnings, than on a short road, and that the expenses in proportion to the freights earned on the Eastern division are very materially increased by the necessity of running during 8 months of the year 3 trips each day, while the load of each engine does not exceed one third of its capacity. That a correct estimate may be formed of the allowance to be made in view of these circumstances, and especially that the character and extent of the resources of the counties passed through, may be fully presented, the following tables have been prepared.

1. Table of articles transported over the 53 miles in use during 6 months, ending September 30 1843.

2. Table compiled from last census of the United States.

*Enumeration of Commodities and the Revenue derived therefrom,
for six months commencing April 1st, and ending September 30th, 1843.*

Passing Eastward.		Passing Westward.	
Articles.	Revenue.	Articles.	Revenue.
Apples & Sim. Fruits,	178 57	China & Glass Ware,	181 22
Butter,	2 385 88	Coal, mineral	120 89
Groceries, &c.	52 74	Cotton and Wool,	157 86
Charcoal,	215 88	Dry Goods,	569 53
Dry Goods,	232 83	Drugs, Paints, &c.	221 07
Grain & Ag. Seeds,	107 09	Flour and Meal,	801 47
Hoop-Poles,	77 48	Fish and Oysters,	192 26
Iron, Cast, Bar & Pig,	1 005 32	Groceries,	1 852 68
Leather,	54 01	Grain and Seeds,	168 41
Cattle,	1 029 19	Gypsum,	393 33
Calves,	1 709 00	Hardware,	238 83
Hogs,	869 95	Hides and Leather,	79 43
Horses,	43 11	Iron, Cast, Bar & Pig,	813 42
Sheep and Lambs,	820 60	Lime and Cement,	98 07
Lumber,	268 23	Liquors,	349 69
Milk,	8 952 13	Lumber,	900 21
Meats, fresh	408 61	Nails, Spikes, &c.	157 26
Potatoes, &c.	25 19	Oil,	77 89
Steel,	251 14	Salt,	1 177 93
Wood, fire	69 80	Salt Provisions,	462 36
Unenumerated,	449 02	Unenumerated.	955 84
R. Road Toll Charges.	18 020 43		9 969 65

The Toll charges do not include sums received for loading and unloading, which until lately have been made a distinct charge.

COUNTIES.	Population.	Horses and Mules.	Neat Cattle.	Sheep.	Swine.	Value of products of the Dairy.	Number of Bushels of Wheat.	Number of bushels of Oats.	Number of bushels of barley, rye, buckwheat and Indian corn.	Pounds of Wool.	Bushels of Potatoes.	Tons of Hay.	Value of products of the Orchard.	Value of products produced.	Tons Pot and Pearl ashes.	Woolen Factories.	Fulling Mills.	Tanneries.	Flouring Mills.	Grist Mills.	Saw Mills.
Rockland.	11 874	2 658	6 695	17 392	11 511	12 927	3 650	47 055	110 361	7 132	48 117	20 917	29 864	56 823	4 4	4 4	4 5				
Orange.	50 733	9 245	64 759	50 218	47 084	669 866	94 774	417 701	851 624	108 876	359 563	75 368	37 991	17 895	13 14	13 28	3 22				
Sullivan.	15 630	2 513	18 067	19 476	10 047	106 891	8 793	126 232	168 608	33 944	236 335	24 678	12 004	135 218	28 174	28 174	7 46				
Pike.	3 832	561	2 935	3 037	3 431	16 698	4 469	16 019	74 077	5 720	56 614	2 825	3 037	33 578	1 1	1 2	3 6				
Delaware.	35 363	8 073	56 982	135 843	27 738	279 206	94 130	464 715	239 497	235 032	779 424	84 007	13 615	127 960	4 424	3 6	3 6				
Wayne.	11 848	159	17 412	34 378	3 122	25 294	15 210	102 140	61 659	103 719	156 702	81 825	1 492		114 68	65 222	114 68				
Otego.	49 412	12 331	66 035	235 979	47 637	383 123	148 880	693 989	352 392	451 064	123 109	106 910	41 341	39 664	132 89	5 32	30				
Broome.	22 348	4 110	23 545	50 669	12 880	60 554	66 369	26 443	377 802	78 365	303 812	28 214	6 745	228 339	39 914	9 14					
Chemung.	40 779	8 329	64 322	197 746	37 311	326 394	99 701	405 032	249 405	155 772	671 103	529 17	525 26	700 159	5 32	30					
Susquehanna.	21 195	4 284	29 575	72 157	16 840	82 987	60 828	237 185	147 093	121 306	362 218	36 455	18 640	64 705	3 8	18					
Tioga.	20 350	4 190	21 576	43 220	14 987	85 410	107 002	180 967	170 675	77 994	369 198	34 050	12 935	289 653	20 3	13					
Cortland.	24 605	5 734	53 739	99 160	19 043	137 367	100 765	276 681	136 024	182 408	575 506	59 562	6 308	6 884	111 4	10	17				
Tompkins.	38 113	7 572	28 908	86 525	23 772	100 804	377 201	288 995	301 320	163 455	339 557	46 981	17 839	32 146	147 7	20	27				
Bradford.	32 769	6 211	54 099	69 767	23 283	84 863	154 966	220 993	265 063	101 339	363 412	42 727	20 035	237 968	28 7	15	18				
Chemung.	20 731	4 667	21 403	37 975	18 110	62 648	192 831	203 184	228 193	75 996	269 233	28 431	21 720	207 176	65 2	4	13				
Tioga, Pa.	15 498	2 765	27 443	25 432	11 205	24 914	68 823	110 526	123 818	36 056	259 590	18 581	4 831	37 189	1 5	12					
Steuben.	45 992	10 379	43 476	143 133	34 309	105 586	390 275	387 980	220 551	590 958	69 998	36 979	220 992	159 3	17	31					
Potter.	3 371	433	3 315	4 960	2 330	7 249	11 410	24 759	19 645	8 562	60 671	3 705		25 038	1	30					
Allegheny.	40 920	9 738	45 864	129 655	30 043	138 686	232 471	334 566	107 514	199 180	583 945	64 733	11 000	214 003	374 4	24	30				
McKean.	2 975	406	2 977	3 713	1 781	19 161	8 162	19 378	17 522	5 937	52 911	4 109	1 737	84 700	2 2	2					
Cattaraugus.	28 803	6 099	35 566	66 525	22 533	97 580	127 665	254 339	100 826	108 179	452 353	48 752	13 357	114 168	235 2	6	24				
Warren.	9 278	1 688	8 340	13 081	6 334	32 082	30 280	64 890	58 392	23 310	147 274	12 142	5 138	88 062	3 5	6					
Chautauque.	47 641	11 306	63 515	136 315	42 224	367 220	214 897	353 311	371 406	265 938	778 219	88 372	49 515	34 819	245 2	36	16				

From these tables it has been inferred,

That about one-fourth of the net earnings may be deducted as being of a local character.

That the counties west of Delaware compare well with other counties in the state.

That the surplus products, in proportion to the population, fully equal those of Orange and Rockland.

To enable a calculation to be made on the basis mentioned, the entire area of the county through which the road passes, as represented on the map, has been subdivided into districts, whose centres are successively 50 miles apart on the line of the road, and the area and population of each district have been ascertained, and are entered on the respective districts. These facts being thus presented, a calculation can readily be made on the principle described above, after determining the basis to be deducted from the results of the road in operation, and estimating the proportion of surplus products of each district which will be sent over the road.

This calculation may be thus illustrated.

1. The total amount of net earnings from a population of 40,000 being \$40,000 ; \$30,000 may be taken as the basis of calculation.

2. That instead of taking the full amount that might be deducted on the calculation of relative population and distances, two-thirds of that amount may be assumed.

The following table has been calculated on these proportions
The first district being that now in use :

District.	Miles.	Population.	Net Earnings.
1.	50	40,000	46,000
2.	100	28,000	28,000
3.	150	51,000	76,500
4.	200	135,000	270,000
5.	250	87,000	217,000
6.	300	45,000	135,000
7.	350	48,000	168,000
8.	400	35,000	140,000
9.	425	62,000	263,000
Total,		531,000	Total, 1,343,500

It should be recollected that these tables refer strictly to the population of the counties as they now are, without any allowance for the increase of population and the stimulus to surplus products which invariably attend the introduction of improved modes of transportation leading to the best markets. It should also be observed that no part of the business brought to the road from the lakes is included.

One other source of revenue remains to be noticed, that of the transportation of the mails.

The greater despatch that can be effected by the New York and Erie Rail Road will probably command a larger sum than is now paid on other routes, but the Board are not informed what that amount is. It is believed that not less \$100,000 would be derived from that source.

The Board think it important to remark, that the amount of business which these statements tend to show, will demand a transportation on the road which will not be very far short of the capacity of a single track road of such great length, and that nothing but a well devised and thoroughly administered system of management could enable the road to perform the business to the satisfaction of the public.

The Board cannot proceed to the next and last of the duties which the trust reposed in them requires, without a more full declaration than has yet been made, of the motives by which they have been actuated.

This Board has not devoted the time and attention which the situation of the New York and Erie Rail Road Company has demanded, nor incurred the responsibilities inseparable from their position in relation to the future operations of the Company, from any interest which they have, or may expect to have, in the direct pecuniary results of the undertaking. On the contrary the belief, formed from such general information as they possessed, that the public have a deep interest in the work, has alone induced them to incur the labor and responsibility which the exigencies of the company imposed. In reference to this interest of the public, therefore, have all their investigations been made, and in reference to this interest now, must the questions be discussed.

1. Whether the City of New York has a deep interest in the completion of the road ?

2. If such be the fact, by what means can the completion be effected ?

On the first question, the opinion that the work would essentially contribute to the general prosperity of the city, appears to prevail so extensively, that it may almost be assumed that the parties most interested have already formed their opinion. But as it may be necessary for them to act on their opinions in a way requiring the most serious consideration, and which, in the opinion of this Board, should only be adopted to attain ends in a high degree important to the general interest of the whole city, this Board have felt it incumbent on them to present the results which the completion of the road will effect, and in which the citizens of New York generally may be supposed to have an interest. In the most important particulars these results have been anticipated in submitting the circumstances which will determine the productiveness of the road ; for they are the following :

1. That by means of the Rail Road a cheap and expeditious communication will be established throughout the year, with a productive country, containing at this time 532,000 inhabitants—a number exceeding by 11,000 that occupying the Canal counties in 1820, three years after the commencement of the Erie Canal—about 150,000 less than the same Canal Counties, in 1825, at the opening of the Canal.

2. That the New York and Erie Rail Road, when completed to Lake Erie, will connect the City of New York with the immense business of that extensive inland navigation, by an avenue which will effect an important saving of time and money to the traveller, and will transport freight at rates which will compare favorably with those by way of the Canal, and with an economy of time of great value.

These advantages will be enhanced by the fact, that the Lake continues navigable three or four weeks later than the Canal, and that the Rail Road will carry to the city at any season, whatever may be delivered at its depots on the Lake.

3. That by connections, which on the completion of the New-

York and Erie Rail Road, will probably be made, with the line of Rail Roads between Buffalo and Albany a Rail Road communication will be kept open through the winter, with the population bordering on these roads.

Independent of the direct increase of the business of the City which must attend the completion of the Rail Road communication between the city and western part of the State and Lake Erie, there are circumstances which induce many to believe that the interests of the City require the completion of the New-York and Erie Rail Road, to preserve to it, the advantages which in reference to that portion of its trade, it has until lately possessed exclusively.

There is reason to apprehend that the Rail Road from Boston to Albany constructed and managed, with the express view of attracting to the city of Boston as large a share as possible of the western trade and travel, will without some counteracting agency, effect these ends to the injury of this city.

The Board regret that it has not been within their power to obtain accurate information, of the character necessary to determine how far the actual results of the use of the road between Boston and Albany, confirm these apprehensions.

Not only has the sagacity of our eastern sister entered with well directed energy for a share of the business of the West, but Philadelphia and Baltimore have evinced the same determination, and will eventually complete works, which will connect their cities with the western waters.

The great employment of this city being in the receipt, sale and shipment, of the produce of the country, and in furnishing in return, the supplies which can only be obtained from the cities on the Atlantic, where are concentrated the imports from foreign countries, the manufactures of the Atlantic States, and the products of the South, it is thought unnecessary to enlarge on the increase of the prosperity which must attend the establishment of communications with the interior by which the interchange so mutually beneficial, is effected at less cost, with greater expedition and at all seasons of the year. The working man, the mechanic, the retail dealer, the wholesale merchant, the importer, the capitalist, the owner of real estate, as well as the trades, and profes-

sions dependent on them, in their turn, must experience the benefits originating in that increase. Whether the increase of business which will attend the completion of the New-York and Erie Rail Road, will be of such magnitude as to make it an object of general interest it is for the public to decide.

In addition to the preceding there is one result which will attend the completion of the New York and Erie Rail Road, which will certainly be general in its character, whatever may be its degree of benefit, and this is the influence which its completion will have on the cost of articles of country produce consumed in the city.

The statements on this subject heretofore submitted to the public are important in its consideration.

The following was furnished by E. Williams, compiler of New York Annual Register, as having been prepared with much care.

Annual consumption of country produce in the city of New York.

The following is an approximate estimate of the annual amount of sales of articles of country produce in the city of New York for the consumption of the inhabitants.

Fresh Beef,	-	-	-	-	\$1,470,000
" Veal,	-	-	-	-	365,700
" Mutton and Lamb,	-	-	-	-	335,000
" Pork,	-	-	-	-	600,000
" Poultry, Game, Eggs, &c.,	-	-	-	-	1,000,000
Salted Beef, Pork and Hams,	-	-	-	-	1,200,000
Vegetables and Fruit,	-	-	-	-	1,200,000
Milk,	-	-	-	-	1,000,000
Butter, Cheese and Lard,	-	-	-	-	1,500,000
Flour, Meal and other Bread Stuffs,	-	-	-	-	3,000,000
Hay and Oats,	-	-	-	-	750,000
Fuel, (Wood & Coal) exclusive of Steamboat Fuel,	-	-	-	-	2,500,000
Articles not enumerated,	-	-	-	-	580,000
					\$15,500,000

The above is not intended to include building materials.

This statement applies to the consumption of 1841.

2 per cent. on the above amount will be \$311,000.

5 " " " 775,000.

It remains with the public to estimate whether the establishment of a Rail Road extending 450 miles through a country shown by the tables already quoted, to be well calculated to supply all the articles enumerated above, will so far reduce their cost, as to make such reduction an object of general interest. In estimating the effect which a permanent source of supply throughout the year will have on the cost to the consumer, it is important to bear in mind, that it is in the means of fully meeting the demand, that prices can be kept at reasonable rates, and that low prices in a city like this can only be secured by a cheap and expeditious communication with an interior so extensive that its products tend to exceed the demand. It is in the reverse of this relation of supply to demand especially during the winter months that the explanation must be found of the fact that the expenses of living in the city of New York so materially exceed those of neighboring cities.

On one item in the above list, the influence of the road has already been brought to bear.

By the returns of the Superintendent of the Eastern Division, it appears that during the six months ending September 30th, 1843, 2,999,161, say 3,000,000 quarts of milk have been furnished to this city through the instrumentality of the New York and Erie Rail Road, and for which the consumers have paid 4 cents per quart. This quantity is at the rate of 6,000,000 of quarts for the year, and it is now beyond doubt, that all of the milk for the city can be obtained from the same quarter as soon as the extension of the road shall bring it to the pastures and population which can furnish that large quantity. The tables heretofore submitted shew that the pastures and population are to be found on the line of this road.

It is believed that prior to the reduction effected by the supply obtained through the New York and Erie Rail Road, the average price was 6 cents per quart. At that price the consumption of the city in 1841 must have been 16,000,000 quarts; on 6,000,000 (omitting any reference to the effect produced on price of milk obtained from other sources) a saving to the city of \$120,000 per annum has therefore already been effected; on 16,000,000 the saving would be \$320,000 per annum.

If in view of the circumstances herein presented, embracing the condition, value, sources of productiveness, cost of completion, and

results, it is considered that it is not of general importance to the city that the New York and Erie Rail Road should be completed, then this Board would be unwilling to enter on the question, as to the manner in which the capital necessary for its completion shall be obtained. But this Board are not at liberty to assume that the question will be so decided; on the contrary they believe that it will be declared without important exception that the completion of the New York and Erie Rail Road is of great and general importance to the city of New York. In accordance with this belief the Board feel it to be their duty to submit the views on the difficult subject of the manner in which the capital is to be obtained, which they have formed after most careful consideration.

By the statements already presented it has been shown that there will be required \$7,600,000. The act of 1843 authorises the Company to issue bonds to the amount of 3,000,000. This resource will not be an available one, until further expenditures on the road will make the property a good security to the bond holders, nor until the means of paying the interest on these bonds are found in the resources of the Company.

The Board would regret to see any measures adopted for the resumption of the work which did not fully provide the means for its completion; they believe that although their views on this point make it necessary to grapple at once with the controlling difficulty of the undertaking, viz. the magnitude of the capital required, it is nevertheless in their opinion the only way in which that difficulty can be successfully met. Unless parties disposed to subscribe to the stock of the Company can be satisfied that the measures adopted will when consummated ensure the completion of the road, no inducements of direct or indirect gain, of private or public interest will be found sufficient to effect any important movement on the subject.

With these views, the Board are of opinion that subscriptions to the amount of \$6,000,000 to the capital stock of the Company must be obtained before any steps can be taken for the resumption of the work, and that with such subscription the completion of the New York and Erie Rail Road is secured with all reasonable certainty.

As on many considerations it would be preferable that such subscription should be obtained of individuals, the first question has been, "Can they be so obtained for the amount named, when asked

for on the condition that no subscription shall be binding, unless the entire 6,000,000 shall be subscribed for?"

To this question, the Board from their knowledge of the resources of this city for such objects, and with a willingness to concede much that is claimed by the warm advocates of the road as to its productiveness, are constrained to give an answer in the negative. \$6,000,000 in their judgment is too large a sum to be raised at present, in this way.

Under this conviction, and in view of the interest, which the citizens of New-York may deem that they have in this question, the Board have had under consideration, a plan which the necessities of the case have forced on their attention, and which cannot be sustained, unless it is generally conceded, that in reference to the whole city the objects in view are so important, that if necessary its co-operation must be afforded. By this plan it is proposed that it shall be submitted to the people of the city of New-York to determine by vote to be taken at the next charter election, whether through their legal representatives, they will subscribe as a community to the capital stock of the New-York and Erie Rail Road, to the amount of \$3,000,000. The conditions of the subscription to be, that there shall be a subscription in good faith on the part of responsible individuals to a like sum of \$3,000,000, and that the payment and actual expenditure for the purposes of the road, of instalments on the part of individuals shall precede the payment of like instalments on the part of the city. The form of an act authorising the city to make such subscriptions is attached to this report. By its provisions it will be seen that a tax of one mill on the dollar is contemplated to pay the interest during the period that the road is unproductive, which tax will provide not only the interest on the loan, but an annual excess to form a sinking fund, that in less than twenty years would redeem the debt. If the road proves productive to the amount of the taxation, then the city, at least at the end of twenty years, and as much earlier as the productiveness of the road may determine, will have acquired the \$3,000,000 of stock at the cost of the taxation for interest during the four or five years of its construction.

If the road barely sustains itself, and makes no dividend, then in consideration of a tax of 1 mill on the dollar, during 20 years, the city will have the beneficial results already set forth, and will

be relieved of debt, and interest at the end of that period.

The Board have said that they have been led to this plan from the necessities of the case. To sustain this position, they refer to the fact that the policy of the General and State Governments precludes all expectation of co-operation on their part. Of the soundness of that policy, it is not the province of this Board to enquire, or to express any opinion, but as facts necessarily restricting all efforts on a subject of common interest, to action among ourselves, as individuals, or as a community, they can with propriety be referred to; and if the end can be accomplished through the resources of the parties, most directly interested, it will be more than well, it will in itself be a result worthy of a general and united effort.

Of the \$3,000,000 to be raised by private subscription it is represented that \$500,000 can be raised in the country. The balance \$2,500,000 are to be obtained in the city.

The conditions on which private subscriptions are to be made are that the city shall subscribe \$3,000,000 and that the amount of private subscriptions shall be for a like sum or no subscription shall be binding, and that the instalments each year shall not exceed 25 per cent.

Such are the main features of a plan which this Board believe commensurate with the magnitude of the project, of the results and of the Capital required. It is submitted on its own merits and in view of the considerations briefly set forth in this Report.

This Board are aware that they have treated highly important subjects in a most summary manner, and that on many points, more full and well digested information might, with propriety have been expected: they find their apology on the one hand, in the fact, that the subject has been so often presented, in all its details, and on the other in the circumstances which seem to require the least possible delay in bringing it, perhaps for the last time, before the public.

Commending the whole subject to the deliberate examination of their fellow citizens, the Board await their directions in the same

spirit in which they undertook the trust which has demanded this Report at their hands.

HORATIO ALLEN, PRESIDENT.
JAMES BROWN, VICE PRESIDENT.

DIRECTORS

D. A. CUSHMAN,
HARVEY WEED,
SILAS BROWN,
THEODORE DEHON,
P. SPOFFORD,
WILLIAM MAXWELL,

C. M. LEUPP
F. W. EDMONDS,
ANSON G. PHELPS,
MATTHEW MORGAN.
JOHN C. GREEN,
A. S. DIVEN,

ELIJAH RISLEY.

The Board find that they have omitted one description of property which has heretofore been considered of great value, but the right to most of which has been lost to the Company by failure to complete the road within a certain period, the most valuable of which consisted of 50,000 acres of wild land in Cattaragus County, and one fourth part of the village of Dunkirk.

An offer in writing was made in 1837 by responsible parties to take these donations, and pay for them the sum of \$400,000, provided certain portions of the Rail Road were completed within a specified time.

This property remains to a great extent in the same hands, and it is not unreasonable to expect that the same considerations would induce the renewal of such contingent right.

Proposed form of AN ACT to authorize the City of New York to subscribe to the capital stock of the New York and Erie Rail Road Company.

The People of the State of New York, represented in Senate and Assembly, do enact—

§ 1. The City of New York (if the electors thereof shall assent thereto in the manner hereinafter provided) may subscribe to the capital stock of the New York and Erie Rail Road Company the sum of Three Millions of Dollars, to be exclusively expended in work hereafter done upon, and materials hereafter furnished to, the said Rail Road.

§ 2. In order to ascertain the wishes of the said electors, in reference to such subscription, the Common Council of said city shall, at the next annual election therein of charter officers, cause to be provided, in each of the election districts of the said city, a ballot box, in which each elector, entitled to vote in that district, may deposit one ballot having either the word "Yes" or the word "No" thereon written or printed.

§ 3. The ballots so deposited shall be canvassed by the Inspectors of the election, and returned to the county canvassers of said city, and the result by them declared, in the same manner as is prescribed by law in regard to the canvass and return of votes for charter offices.

§ 4. If upon such canvass it shall appear that a majority of the electors so voting shall have deposited ballots containing the word "Yes," then the Corporation of said city shall proceed to borrow Three Millions of Dollars, in twelve successive sums of two hundred and fifty thousand dollars each, and, for that purpose, shall issue a public stock, to be called the "Erie Rail Road Loan of the City of New York," bearing an interest not exceeding six per cent. per annum, payable half yearly, and redeemable at a period not exceeding twenty years from the date of its issue.

§ 5. Such stock shall be sold, for not less than its par value, in such amounts, and manner, and at such times, as the said Common Council shall prescribe; and all the provisions of the act entitled "An act to regulate the Finances of the City of New York," passed 8th June, 1812, which are not inconsistent with the provisions of this act, are hereby applied to the said stock.

§ 6. The said City shall subscribe the said sum of Three Millions of Dollars to the said capital stock, whenever, and as soon as, the said Company shall have furnished evidence satisfactory to the Comptroller of said city, or such other officer as shall be by the said Common Council in that behalf appointed, that a like amount of Three Millions of Dollars, has been subscribed, in good faith, by private individuals or bodies corporate or politic.

§ 7. The said City shall pay the amount of such subscription in instalments of two hundred and fifty thousand dollars each; and shall pay such an instalment of two hundred and fifty thousand dollars, whenever, and as often as, the said Company shall furnish evidence satisfactory to the said Comptroller or other officer in that behalf appointed as aforesaid, that the said Company has received on account of subscriptions made as aforesaid by private individuals and bodies corporate or politic, and actually expended on the said road, a like amount of two hundred and fifty thousand dollars; until the whole of said amount of Three Millions of Dollars shall have been paid.

§ 8. Each of said instalments of two hundred and fifty thousand dollars, shall, in the first instance, be deposited in the City treasury : and shall remain there until drawn out in order to pay for work done, or materials furnished for the said Rail Road : and before the same shall be so drawn out, the said Company shall furnish evidence satisfactory to the said comptroller or other officers in that behalf appointed as aforesaid, that such work has been done, and such materials furnished subsequently to the passage of this act.

§ 9. After the said City shall have made the said subscription, the Mayor, Recorder and Comptroller, and the President of the Boards of Aldermen and Assistant Aldermen of the said City for the time being shall be ex-officio directors of the said Company in addition to those elected by the stockholders (other than the said City) as provided for in the act incorporating the said Company, and no vote shall be given at any election of directors upon the stock so subscribed for by the said City.

§ 10. In order to provide for the payment of the interest of the said Erie Rail Road Loan, and the redemption of the principal thereof, the said Common Council shall levy by tax upon the estates, real and personal in the said City, liable to taxation, one twelfth of one mill upon every dollar of the assessed value of such estates, for every successive amount of two hundred and fifty thousand dollars, so to be issued, and after the interest on such loan shall have been paid out of the proceeds of such tax, the commissioners of the sinking fund of said City shall invest the residue in the purchase of some portion of the stock so issued, or if enough of the same cannot be obtained to absorb such residue then in the purchase of any public stock issued by the said City, and shall keep the same sacred and irrevocably appropriated to the payment of the principal of the said Erie Rail Road Loan.

§ 11. Whenever any dividend shall be received by the said City from the said Company, on the stock so to be subscribed for, the said dividend shall be appropriated to the payment so far as it will go, of the interest falling due in the ensuing year on the public stock, so to be issued by the said City, and the tax to be levied in that year, in order to provide for the payment of such interest shall be diminished by an amount equal to such dividend and no more. And these shall be annually provided by the said City, and irrevocably

cably appropriated to the payment first of the interest, and ultimately of the principal of the said Erie Rail Road Loan, either from dividends received from the said Company or by taxation, for every two hundred and fifty thousand dollars of such public stock which shall be issued by the said City, an amount equal to one twelfth of one mill on the whole property real and personal in the said city liable to taxation.

§ 12. Such annual tax shall be continued until either, the said Erie Rail Road Loan shall have been paid in full ; or the annual dividends received by the said City, from the said Company on the stock so to be subscribed for, shall be equal to ten per cent. per annum on its par value ; or the State shall elect to purchase the said Rail Road, under the provisions of the act entitled : An act in relation to the construction of the New-York and Erie Rail Road, passed April 18, 1843.

§ 13. All dividends which the said City, shall receive from the said Company, and all proceeds received by the said City, for its stock so to be subscribed for, should the said Rail Road be purchased by the People of this State, under the provisions of the act above referred to, are hereby specifically pledged and irrevocably appropriated to the payment of the interest and redemption on the principal of the said Erie Rail Road Loan, until the same shall have been paid in full.

§ 14. The said City shall have no power to alienate or part with any portion of the stock so to be subscribed for, unless the said Rail Road shall be sold to the people of this State, under the provisions of the act above referred to, and then said stock may be surrendered to the said Company, on the receipt of a corresponding portion of the proceeds of such sale, and after the said Erie Rail Road Loan shall have been paid, in full with all interest, that shall accrue thereon, then all dividends which the said City shall receive from the said Company, shall be appropriated to such purpose as the Common Council of said City shall from time to time direct.

§ 15. This act shall take effect immediately.

H R L

REPORT

OF

THE DIRECTORS

OF THE

NEW YORK AND ERIE RAILROAD COMPANY,

TO THE STOCKHOLDERS,

FEBRUARY 15, 1851.

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NEW YORK:
SNOWDEN, PRINTER, 70 WALL STREET.
1851.

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REPORT.

To the Stockholders of the New-York and Erie Railroad Company :

THE Board of Directors have the satisfaction of announcing to the Stockholders the result of their operations during the past year.

At the date of the last address, the road was completed to Corning, 277 miles from Piermont, leaving 175 miles to be constructed to reach Lake Erie, upon the route then surveyed, or 169 miles by the route since adopted, reference to which will hereafter be made.

To provide the means for completing this remaining portion of the road, the Directors issued \$3,500,000 Income Bonds, as proposed in their last address.

In addition to the line then completed, the section between Corning and Hornellsville, 41 miles, was opened in September last, and this week another link of 51 miles has been added, extending from Hornellsville to Cuba, making in all 369 miles, exclusive of the Newburgh Branch, and leav-

ing but 77 miles to finish, to reach Lake Erie. Upon 37 miles of this the track is laid in detached parts, so that only forty miles remain unfinished, the rails for which are mostly on the ground, ready to be laid on the opening of spring.

The completion of the New-York and Erie Railroad to Dunkirk, within the time prescribed by law, is now no longer a problem. It will be opened *probably* on the first, *certainly* by the 14th May next.

This road, like other kindred works of the present day, has cost more than was originally estimated, but not more than others of less importance and value, as will fully appear, by reference to their official reports.

The cost upon the Western Division, has been augmented largely, if not mainly, by adopting a new line, other than that upon which the estimate of last year was made; by which a grade of 60 feet to the mile continuously, for 14 miles, has been reduced to 40, and the distance shortened six miles. This has been done on the fifty miles nearest Dunkirk, and will save the Company annually, in working the road, the interest upon four times its extra cost. Other important changes have been made in the line of the road, by which many miles of a continuous grade of 69 feet, have been reduced to 50 feet per mile.

The right of way contingent upon a change of line, has been expensive, and the extra cost rendered necessary in hastening the work, in compliance with the requirement of the law of the State, to finish it within a prescribed time, together with the fact that the Company have added about \$1,000,000 in value to their stock of locomotives and cars, within the last year, will doubtless satisfactorily account for the cost of the work over the estimate.

For their convenience in operating the road, and for the greater safety of passengers, the Directors have erected, for the sole use of the Company, a continuous telegraph line from this city to Hornellsville, and will extend it through to the Lake, simultaneously with the opening of the road to that point.

The building of 169 miles of Railroad, so expensive and difficult in its character, within one year, is a great achievement even at the present day, and it is regarded with exultation and pride by the Board. Although this is the crowning effort of their labors, it has been more speedily accomplished, than other portions less prominent.

As a whole, the work has been formidable, and at times almost overwhelming, and while the Board cannot overlook the obstacles which its enemies have thrown, and are still placing in the way of its success, they turn with satisfaction to the remembrance of the numerous friends who have given them aid and encouragement in times of great doubt and embarrassment.

In spite of difficulties, perhaps unequalled, the largest and most important private enterprise in America, (if not in the world) is nearly completed, and within ninety days from this time, the Board promise themselves the satisfaction of a trip of inspection over the New-York and Erie Railroad, from the Hudson River to Lake Erie.

The whole cost of the road, with ample depot grounds and buildings, and equipments for operating the road, together with the Newburgh Branch, and valuable and extensive grounds and docks at Dunkirk, Newburgh, Piermont, and New-York, with extensive machine shops, barges, steamboats, &c., will be, at the time of reaching the Lake, about (\$20,500,000,) or, after deducting the value of the

equipments, (\$2,500,000,) \$38,706 per mile—a cost by no means large, when compared with other important Railroads in the country.

The average cost of Railroads in New England, is about \$50,000 per mile.

The financial condition of the Company is as follows viz :—

FUNDED DEBT,

Mortgage Bonds issued in lieu of State Loan,	\$3,000,000
Second do., redeemable 1859,.....	4,000,000
Certificates of old indebtedness,.....	500,000
Income Bonds,.....	3,500,000

Total amount of Funded Debt,..... \$11,000,000

Add to this the present floating debt,.... 2,988,045

And the probable cost of opening the road to Lake Erie, exclusive of materials now on the ground,..... 300,000

And the entire debt of the Company will be. \$14,288,045

To fund the floating debt of the Company, to provide the necessary machinery and cars for working the road, (the remaining unissued capital stock of the Company, \$4,710,000, not being available for that purpose,) the Directors will issue Bonds, transferable on the books of the Company, for \$3,500,000, bearing interest at the rate of 7 per cent. per annum, payable semi-annually, with interest warrants attached; the principal redeemable twenty years after date, and convertible into the stock of the Company, at the option of the holder. Authority for which is given in the 10th division of the 28th section of "An act to authorize the formation of Railroad Companies, and to regulate the same," passed April 2d, 1850.

Confident of the perfect security of these Bonds, (the property of the Company being worth at least fifty per cent more than the amount of the entire indebtedness, a statement of which is given below,) the Directors offer them, to capitalists with the full assurance that they will command a ready sale.

The liabilities of the Company will then be as follows:—

Funded debt, as before given,.....	\$11,000,000
Bonds redeemable in 1871, and convertible into the stock of the Company, at the op- tion of holder, (present issue,).....	3,500,000
	\$14,500,000
Amount of capital stock issued.....	5,790,000
To which add for contingences.....	210,000
Making.....	\$20,500,000

the amount expended and to be expended in opening the road to Lake Erie. At least \$2,500,000 of which is chargeable to equipment account.

The road, 446 miles, and the Newburgh Branch, 19 miles, in all 465 miles in length, is constructed in the most substantial manner. The bridge abutments are of solid cement masonry, and the arched bridges, some of them gigantic in size, are models for strength and durability. Within the last year, parts of the road on the eastern division, have been re-built, bridges supported on wood have been removed and re-placed by others upon durable stone abutments. As a whole, the road is inferior to none in the permanency of its construction, in its capacity for doing business, and in its susceptibility to economy in working.

It is a source of satisfaction to the Directors that they have generally, in advance, accurately named the time of opening the road from point to point as each new link has been finished, and it is not the less satisfactory to them that

their estimates of the earnings of the road have also been realized.

The estimates for the present and the following years are made with the same confident expectation that they will be fully realised, and that the Company from its annual net earnings, hereafter will make semi-annual dividends to the Stockholders, and have a surplus for other purposes.

The earnings of the year 1849 were.....	\$809,777
“ “ 1850 “	1,600,300

A comparison of the earnings of the road for the last two years, per mile, for each mile in use, taken in connection with the prospective extension of the road to Lake Erie, and the consequent increase of business naturally to be expected from so important an opening, will be the basis of the present estimate.

During each of the years 1849 and '50, newly finished sections of the road were added to it, and the comparison is instituted from the *average* distance in use during each year.

In 1849 that portion between Binghamton and Owego, 22 miles, was added in the month of June, and that part between Owego and Elmira, 36 miles, late in October; also the Chemung Branch, 17 miles, late in November. The *average* distance in use during the year was 219 miles. Total earnings for the year, \$809,777. Earnings per mile, \$3,697.

In January, 1850, that section between Elmira and Corning, a distance of 18 miles, was opened and added to the line, and also the Newburgh Branch, leading from Chester to Newburgh, 19 miles in length; and in September 41 miles more, extending from Corning to Hornellsville, were put in operation. The average length of road in use during 1850 was 320 miles. Earnings for the year, \$1,600,300—\$5,000

per mile. Excess of earnings, over 1849, \$1,203, or thirty-five per cent.

The road is now in operation to Cuba, 369 miles, which with the Newburgh Branch and the Chemung Branch make in all 405 miles of road now in use. Based upon the foregoing comparison of the earnings of 1849 and '50, without any increase upon last year, the earnings for the first four months of 1851 will be..... \$673,333

Deduct 10 per cent., the earnings for January and February being generally much below the average earnings for the other months of the year.....	67,333	\$606,000
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For the remaining 8 months, the road being open to the Lake, and working 464 miles, at last year's rates.		1,546,667
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Add 35 per cent. upon last 8 months as the increase contingent upon the Lake connection.....		541,333
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Add estimated contributions from Ligget's Gap Railroad, Jefferson and Canandaigua Railroad, Dunkirk and State Line Railroad, and the North east Railroad, (the two last connecting Dunkirk with Erie, Pa., all of which are under contract, and probably will be finished in August next, say 10 per cent. upon the earnings for the last four months, the earnings in September, October, November and December being much larger than the average of other months of the year.....		77,333
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Making the earnings of 1851.....	\$2,771,333
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Deduct running expenses, 50 per cent.....	1,385,666
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\$1,385,667

From which deduct the interest chargeable in year 1851 :

*First Mortgage Bonds, Nov., interest	\$105,000	
Second " " March " ..	140,000	
" " " Sept. " ..	140,000	
Old Certificates for year.....	35,000	
Income Bonds, Feb. ..	122,500	
" " Aug. ..	122,500	
Convertible Bonds, " ..	122,500	787,500
		\$598,167

Deduct, say, six per cent. interest for the whole year upon the amount of Stock issued.....	347,400

Leaving a surplus of.....	\$250,767
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to be applied to other purposes.

Agreeable to the foregoing estimate of the earnings for the last eight months, of 1851, \$2,165,333, the earnings for the twelve months after the opening to Lake Erie will be..... †\$3,248,999

Add 15 per cent. as the natural increase of 1852 over 1851,.....	487,199

And the earnings for 1852, will be.....	\$3,735,198
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Deduct running expenses, 50 per cent.,.....	\$1,867,599
Interest upon indebtedness.....	1,015,000
	\$2,882,599

Leaving a balance of.....	\$852,599
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Equal to $14\frac{1}{2}$ per cent. upon the Capital Stock of the Company now issued.

* Interest for May is deposited with the Comptroller in conformity to the law of the State, releasing the \$3,000,000 State Lien, and will be paid by him.

† Exceeding by 8 per cent. the estimated earnings, as per last year's address.

ESTIMATE FOR 1853.

Receipts.....		\$4,000,000
Running expenses.....	\$2,000,000	
Interest on Debt.....	1,015,000	3,015,000

Surplus.....\$985,000

* Equal to 17 per cent. upon Capital issued.

In making the foregoing estimates the cost of running the road is put down at fifty per cent. upon the receipts. The expenses of 1850, were upon the road, forty-eight per cent. and fifty-three per cent. upon the road and ferry combined.

* In forming estimates of the receipts of the road after its completion in May next, the Directors can discover no method by which they will not be likely to exceed the foregoing figures.

The receipts of the road for the past year, in operation to Corning, were, say.....\$1,600,000

It is reasonable to suppose that an addition of 20 per cent. may reasonably be calculated upon the 2d year..... 320,000

Take now the line from Corning to Dunkirk, 168 miles, intersected, as it will be, during the year, by the several new roads, and suppose the way business on the line, to amount to,..... \$400,000

Add for that portion passing over the road from Corning, to New-York,..... 400,000 800,000

Now, with the through travel and freight to Lake Erie, with the advantages of steamboat connection at Dunkirk, and the Railroad to Erie, we have only assumed that we shall carry 100 through passengers each way, per day at \$9,.

Fifty emigrant passengers, \$5..... 150,000 690,000

Fifty tons of freight each way per day, including express freight, at \$20,.....

600,000

\$3,990,000

But it is confidently believed by the Board, that the expenses of operating the road after the extension to Lake Erie may, and probably will be, reduced much below the per centage of last year.

The labors of the Board in constructing the road will soon terminate, and their attention will then be more exclusively directed to its economical management. As a first step to which, and in compliance with the public convenience, both of which demanded a change in the former ferry arrangements, the Directors have completed an agreement with the Union Railroad Company of Rockland county, (a company organized under the general railroad law of this State), by which passengers are brought to the Company's pier at the foot of Duane street in this city. This will make a large annual saving, and passengers will reach the city an hour and a half sooner than by the way of Piermont. A way passenger train will, however, be run to Piermont, and the milk and freight business will be continued there as formerly.

That these estimates may not appear extravagant, the Directors call the attention of the Stockholders to the following important tributaries to the road, their length and connexion, some of which now are, and most of the others will be, in operation during this and the coming year.

1st. The Newburgh Branch, 19 miles long, commencing at Chester and terminating at Newburgh. A valuable outlet for many kinds of freight. Nearly 2,000,000 feet of lumber, brought over the road have been deposited there during the past month. Newburgh will, at no distant day, become one of the most important, if not the largest, mart for lumber in this state. This branch is the property of the company, and taken in connection with the Midland Railroad to Boston, through Fishkill, Hartford and Providence, will be a most valuable part of the New-York and Erie Railroad.

2d. The Ligget's Gap Railroad, extending 48 miles from Great Bend, on the Susquehanna river, to the Lackawanna Coal Fields, Iron Works, &c., at Scranton, and to be extended to Wilksbarre and the Wyoming Valley. The great value of this road to the Erie Railroad, when it shall be completed in August next, will far exceed any present reasonable calculation.

3d The Syracuse and Binghamton Railroad, to connect those two important places, 80 miles distant from each other. This road is projected and the surveys are being made.

4th. The Cayuga and Susquehanna Railroad, 34 miles, connecting by steamboats from Ithaca, upon Cayuga Lake, the Central Railroad with the New-York and Erie Railroad at Owego.

5th. The Chemung Railroad, running to Jefferson, 17 miles, and with steamboats on Seneca Lake, connecting Geneva, Rochester, and Buffalo, and the Central Railroad, with the Erie Railroad.

6th. The Jefferson and Canandaigua Railroad, 45 miles long, passing through thriving villages to Canandaigua. It will be completed in July next. This will make a continuous line of 62 miles from the Erie road to Canandaigua.

7th. The Williamsport and Elmira Railroad, 60 miles long. A part of this road is graded and the whole is under contract. It runs from Elmira to Williamsport, Pennsylvania.

8th. The Corning and Blossburgh Railroad extends 40 miles to the bituminous coal mines of Pennsylvania, and connects the towns from which it derives its name. Heavy T rails are soon to be substituted for the present flat rails.

9th. The Buffalo and Conhocton Valley Railroad, from Corning 133 miles to Buffalo, (52 miles will be completed in November next.) It will pass through Bath, Batavia, and other important towns, and by a branch to Niagara Falls, and thence by a railroad now being constructed through

Canada West, connecting with the Michigan Central Railroad at Detroit. The distance from Buffalo to New-York by this route, over the Erie Railroad, is 40 miles shorter than by way of Albany.

10th. The Hornellsville and Buffalo Railroad, 90 miles long. This road passes through a rich section of country to Attica, and thence direct to Buffalo. It will be finished in May, 1852. The distance from Buffalo to New-York by this road is about the same as by the one last above named.

11th. The Dunkirk and State Line Railroad, running from Dunkirk to the Pennsylvania State Line 28 miles. It will be in operation in August next.

12th. The North East Railroad, 18 miles long, will be opened by the 1st August next, and will, with the Dunkirk and State Line Railroad, connect Dunkirk with Erie, Pennsylvania.

Railroads from Erie west are in the course of construction, and will within one year extend to Cleveland, from whence a Railroad is now in operation to Cincinnati; also to Toledo, Chicago and Galena, and at no very distant day to St. Louis; forming, over the New-York and Erie Railroad, an unbroken line of railroad communication between New-York and the Mississippi River.

Arrangements have been made with some of the best steamboats on the Lakes, to run from Dunkirk to Cleveland in connection with the Cleveland and Cincinnati Railroad, and to Sandusky, Toledo and Detroit, in connection with the Mad River, Michigan Southern, and Michigan Central Railroads, forming daily lines in each direction.

With a continuous and unbroken Railroad connexion with the interminable West, in almost every direction, and opening upon Lake Erie at Buffalo, Dunkirk, and Erie, (navigation commencing earlier and continuing later in the season at the two last points, than at any other further East,) and with the numerous tributaries before referred to, at intermediate points within our own State, which in the aggregate are

more than equal to this road in length, gathering and concentrating upon it the business adjacent to them ; with a connection with the numerous steamers and propellers upon the lakes, and exchanging with them both passengers and freight ; with a terminus on the Hudson River at Newburgh and Piermont, and the city of New-York ; with an unbroken line of wide track, as it soon will be, of 543 miles, between Erie and New-York, and with cars wider, and consequently more comfortable than are afforded on any other route.— With all these, and less distance in its favor, what reasonable man, who is at all acquainted with the present and rapidly increasing business of the country with which it connects, can for a moment doubt the certain and triumphant success of the New-York and Erie Railroad.

And, in conclusion, your Board beg leave to remark, that in this period of our country's history, when private enterprise is achieving such results, the man of sober calculation is in little danger of finding the figures of his prophecy arrayed hereafter in judgment against him. And while the Board of Directors entertain strong hopes of more flattering results, they have, in their estimates, been extremely cautious against encouraging undue expectation. Trustees, as they feel themselves to be for the largest private Company in America, and perhaps in the world, they appreciate the responsibility under which they act ; and they would be reluctant publicly to sanction what their judgment did not fully approve. Their labors in behalf of the Company have been long and arduous, and their endeavor now is, and has been, faithfully to guard the interests entrusted to them, and to be prepared to surrender them unimpaired, and especially unstained by private gain or personal advantage.

By order of the Board of Directors,

NATHANIEL MARSH,

Secretary.

Office N. Y. and Erie Railroad Co., }
New-York February 15, 1851. }

RECEIPTS FOR 1849.

January,.....	\$39,340 98
February,.....	43,505 22
March,.....	50,073 07
April,.....	62,123 24
May,.....	66,066 67
June,.....	60,320 02
July,.....	57,546 63
August,.....	70,024 66
September,.....	77,688 45
October,.....	100,720 51
November,.....	88,052 24
December,.....	94,815 75

Total..... \$809,777 44

RECEIPTS FOR 1850.

January,.....	\$112,955 25
February,.....	102,212 91
March,.....	130,578 68
April,.....	141,984 89
May,.....	148,226 55
June,.....	120,324 42
July,.....	104,053 22
August,.....	129,206 12
September,.....	150,017 57
October,.....	160,579 91
November,.....	150,147 92
December,.....	149,985 85

Total,..... \$1,600,273 29

RECEIPTS FOR 1851.

January..... \$144,909 30

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REPORT

OF



THE DIRECTORS

OF THE

NEW-YORK & ERIE RAILROAD CO.

TO THE

STOCKHOLDERS,

December 24, 1851.

NEW-YORK:

1851.

REPORT
OF
THE DIRECTORS,
OF THE
NEW YORK & ERIE RAILROAD COMPANY,
TO THE
STOCKHOLDERS,
DECEMBER 24, 1851.

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**NEW YORK:**  
**1851.**

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# REPORT.

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*To the Stockholders of the New-York and Erie Rail-Road Company:*

The Board of Directors have the satisfaction of congratulating the Stockholders upon the opening of the entire line of the Erie Railway, since the date of their last Report.

On the 22d of April, the first Train of cars, containing the officers of the road, passed over the line from Piermont to Dunkirk; and on the 15th of May, the event was celebrated at the latter place, honored by the attendance of the President of the United States, and a portion of his Cabinet, and a large number of other distinguished guests.

Thus within the period prescribed by law, without asking any indulgence or special legislation from the State, the Board have complied with the requirements of the act of 1845, and the State lien of three millions of dollars, has been cancelled and extinguished.

The road was opened for travel in the middle of May, but was not in effective operation until the latter part of the succeeding month.

Since the opening of the road, there have been added to it as lateral roads or feeders, the Canandaigua and Corning, connecting with the Chemung at Jefferson, 45 miles. The Lackawanna and Western, connecting at Great Bend, 50 miles. The Buffalo and State Line Road, and the Erie and North East Road, connecting

at Dunkirk, 46 miles. Total of connections, 141 miles; and there is now under way and in immediate course of completion, the Buffalo and New-York City Road, 90 miles; the Conhocton Valley, (133 miles.) 52 will be in operation in April. Total of connections to be brought into use, before and during the spring, 142 miles—giving as a total, 283 miles of Rail Road connections or feeders, pouring into the Erie the freight and passengers contiguous to the country through which they pass, and of other roads which they themselves intersect, or of which they are continuations. In reference to the projected roads alluded to in former reports, all of them are in a state of progress, but may not be finished during the year.

The Estimates of the Board of the earnings of the Road for 1851, have been exceeded, while the cost of running has fallen within the estimate.

The receipts of the Road for 1851, are as follows:

|                 |   |   |   |           |    |
|-----------------|---|---|---|-----------|----|
| January,        | - | - | - | \$144,909 | 30 |
| February,       | - | - | - | 125,105   | 20 |
| March,          | - | - | - | 163,400   | 99 |
| April,          | - | - | - | 189,149   | 51 |
| May,            | - | - | - | 174,345   | 12 |
| June,           | - | - | - | 224,722   | 44 |
| July,           | - | - | - | 228,460   | 33 |
| August,         | - | - | - | 263,964   | 13 |
| September,      | - | - | - | 306,888   | 96 |
| October,        | - | - | - | 356,553   | 21 |
| November,       | - | - | - | 299,420   | 40 |
| *December, est. | - | - | - | 300,000   | 00 |

2,776,919 59

The estimate, see last year's report, - 2,771,333 00

● The estimated expenses were, 1,385 667—5,586 59

They will be, estimating November  
and December, including ferries and  
steamboat service on Lake Erie, 1,377 977 —7,690 00

Excess over the estimate, - - - 13,276 59

\*Owing to the heavy snow storms which have prevailed during this month, on the western part of the road, and have delayed the Freight Trains, this amount may not be realized within the month.

|                                                                                                 |                    |
|-------------------------------------------------------------------------------------------------|--------------------|
| <b>The cost of the Road, when completed to Lake Erie, was estimated, in the last Report, at</b> |                    |
| about - - - - -                                                                                 | 20,500,000         |
| It is ascertained to be - - - - -                                                               | 23,580,000         |
| <b>Excess over estimate,</b>                                                                    | <b>\$3,080,000</b> |

An explanation of this discrepancy is due, and the Board having nothing to conceal, desire to make it. The Engineers in submitting their report to the Directors for constructing the road from Hornellsville to Dunkirk, Western Division, estimated the cost for building 128 miles at 2,123,289 dollars, and for right of way 50,000 dollars. It proved on final settlement of accounts to be 3,526,657 38. Difference - - - - - 1,353,368 38

|                                                                                                               |                     |
|---------------------------------------------------------------------------------------------------------------|---------------------|
| The convertible bonds issued last spring for 3,500,000, sold at 90 per cent, making a difference of - - - - - |                     |
|                                                                                                               | 350,000 00          |
| Locomotives and Cars, over estimate, - - -                                                                    | 500,000 00          |
| Buildings in New-York, - - - - -                                                                              | 90,000 00           |
| Wharves and Buildings in Dunkirk, - - -                                                                       | 109,000 00          |
| Fences, built during 1851, 300 miles, - - -                                                                   | 200,000 00          |
| Subscription to Buffalo and State Line Road, - - -                                                            | 250,000 00          |
|                                                                                                               | <b>2,852,368 38</b> |

The chief part of the discrepancy is accounted for, however, by the Company's being obliged, in order to get the Road through in time, to incur increased expense, in driving the work day and night, amid frost and snow; in being compelled to assume work which the contractors were unable to perform; and in the heavy expense attending the transportation of materials for the superstructure.—The propriety or policy of doing in one year what it has taken other roads two to three to accomplish, will not be doubted when it is considered that the loss of interest alone would be twenty per cent. to say nothing of having two years' benefit of earnings to the treasury. The total cost of the Erie Railroad, including sixty miles of double track, sidings and turn-outs, wharves, locomotives, cars, stations and property of every description (excepting 250,000 Buffalo & State Line stock) is 50,172 dollars per mile, or, exclusive of engines, cars, steamers, stations, etc. : 43,333 dollars per mile. Although

this is more than the Directors hoped and believed it would be, it is still about the average cost of all the Railways in the State of Massachusetts, which, by last years report, was stated at 49,573 43-00 dollars per mile, and within the cost of nearly all the following, viz:—

|                                      |       |        |          |
|--------------------------------------|-------|--------|----------|
| The cost of the Western Railroad was | -     | 69,190 | per mile |
| Old Colony,                          | " - - | 50,961 | "        |
| Fitchburg,                           | " - - | 53,498 | "        |
| Eastern,                             | " - - | 53,882 | "        |
| Cheshire,                            | " - - | 51,088 | "        |
| Boston & Worcester,                  | " - - | 71,175 | "        |
| Boston & Providence.                 | " - - | 64,457 | "        |
| Boston & Maine,                      | " - - | 47,659 | "        |
| Boston & Lowell,                     | " - - | 72,060 | "        |

and less than the overage cost of many of the important roads of this State.

The Company have leased, from the Corporation of the City of New York, the square at the foot of Duane street, on which they have erected a large block of buildings, in a portion of which their offices are now located. The whole building will in a few years be required for their business. These buildings cost, including fixtures, about \$80,000.

But it is not the intention of the Directors to solicit forbearance of censure, if any is deserved; they acted up to their best judgment and ability, and under the circumstances would not act differently. were it to be done over.

The present floating debt of the Company, is 3,080,000 dollars; it has not been increased since October, when it reached its maximum.

To pay this floating debt and to aid in building one hundred miles of double track from Great Bend westward, the Company propose to issue bonds payable in ten years (the remaining unused stock, 4,500,000, being as yet unavailable,) convertible into stock, and bearing 7 per cent. interest.

The portion of double track which the Company propose to build is of easy grade and construction, and can be built at the rate

of about ten thousand dollars per mile ; and is imperatively required by the increasing business of the Road.

The Directors are able to state to the Stockholders that for the construction of the one hundred miles of double track, they can make available, and on terms advantageous to the Company, a sufficient portion of the Capital Stock to insure its immediate completion.

The security for the payment of all the Company's obligations, and all the money they propose to borrow, is ample and indisputable.

The Company own 465 miles of Rail Way. Cost 20,150,163 56.

|                                             |                     |                     |
|---------------------------------------------|---------------------|---------------------|
| 132 Locomotives, - - -                      | Cost \$1.118,152 96 |                     |
| 72 Passenger Cars, - - -                    | " 178,290 84        |                     |
| 1505 Freight and emigrant - -               | " 864,986 44        |                     |
| 5 Barges, - - - -                           | " 40,249 87         |                     |
| 2 Steam Boats, - - - -                      | " 101,144 11        |                     |
| Depots, - - - -                             | " 382,868 03        |                     |
| Water stations, - - -                       | " 129,094 80        |                     |
| 3 Machine Shops, - - -                      | " 136,248 01        |                     |
| Machinery in " - - -                        | " 59,133 00         |                     |
| Duane st. Pier, - - -                       | " 10,426 69         |                     |
| Buildings & Depot West st. "                | 80,667 37           |                     |
| Wood on hand, - - -                         | " 154,750 00        |                     |
| Materials on hand, - - -                    | " 197,824 32        |                     |
| Telegraph, Cash on hand and debts due,      | 146,000 00          |                     |
|                                             |                     | <hr/> 3,599,836 44  |
| Stock in Buffalo and State Line Road, - - - |                     | 250,000 00          |
|                                             |                     | <hr/>               |
| Total - - - - -                             |                     | 24,000,000 00       |
| Bonds already issued, - - -                 | 14,500,000          |                     |
| Proposed issue - - - - -                    | 3,500,000           |                     |
|                                             |                     | <hr/> 18,000,000 00 |
| Stock issued, - - - - -                     |                     | \$6,000,000 00      |

Thus taking the Road and its appurtenances at cost, there is a security of the whole issued capital stock, to meet any contingences, but in fact there is the security of a road that in the first six months of its operations has earned an interest at the rate of over ten per cent per annum on its entire cost.

and they have the satisfaction of knowing that they have earned the confidence and support which has been so generously extended to them.

By order of the Board of Directors,

NATHANIEL MARSH, *Secretary.*

New York, December 24th, 1851.

## REPORT OF COMMITTEE ON DIVIDEND.

The Committee appointed to examine the affairs of the Company for the past six months, with reference to a dividend on Capital Stock, in January next, report:

### Receipts:

|            |         |           |         |                |
|------------|---------|-----------|---------|----------------|
| 1851—July, | 228,460 | October,  | 356,553 |                |
| August,    | 263,964 | November, | 299,420 |                |
| Sept.      | 306,888 | Dec. est. | 300,000 | \$1,755,285 00 |

### Expenses:

|                                            |         |              |         |              |
|--------------------------------------------|---------|--------------|---------|--------------|
| 1851—July,                                 | 120,545 | October,     | 135,000 |              |
| August,                                    | 110,475 | Nov. est.    | 125,000 |              |
| Sept.                                      | 117,636 | Dec. "       | 130,000 |              |
|                                            |         |              |         | <hr/>        |
|                                            |         |              |         | 738,656      |
| Expenses Lake Erie Steamers,               |         |              | 90,000  | —828,656 00  |
|                                            |         |              |         | <hr/>        |
|                                            |         |              |         | 926,629 00   |
| Deduct six months expenses General Office, |         |              |         | 9,600 00     |
|                                            |         |              |         | <hr/>        |
|                                            |         | Net revenue, |         | \$917,029 00 |

### Interest to Pay.

|                                                                   |           |             |
|-------------------------------------------------------------------|-----------|-------------|
| \$3,000,000 1st Mortgage Bonds,                                   | \$105,000 |             |
| 4,000,000 2d do do                                                | 140,000   |             |
| 3,500,000 Income do                                               | 122,500   |             |
| 3,500,000 Convertible do                                          | 122,500   |             |
| 500,000 Certificates,                                             | 17,500    |             |
| *Interest on 2,500,000 of the Floating debt,                      | 97,222    | —604,722 00 |
|                                                                   |           | <hr/>       |
| Balance for dividend,                                             | \$312,307 | 00          |
| \$6,000,000 Stock, 4 per cent. dividend would be                  | 240,000   | 00          |
|                                                                   |           | <hr/>       |
| Balance unapplied,                                                | \$72,307  | 00          |
| *\$580,000 of the Floating debt for Locomotives, not on interest. |           |             |

*Submitted December 19, 1851.*

|                   |   |                   |
|-------------------|---|-------------------|
| CHAS. M. LEUPP,   | } | <i>Committee.</i> |
| C. SMITH,         |   |                   |
| DANIEL S. MILLER, |   |                   |

